FSC-48-A

February 3, 1994

TO ALL REGION OPERATIONS MANAGERS

RE: CO-MARKETING PROMOTION ACCRUAL PROGRAM CONTRACTS
PACK AND CARTON OUTLETS (Packed 25/SKU)

Please note the following contracts for both Pack and Carton Outlets as they pertain to the Co-Marketing Promotion Accrual Program. Attachments may be utilized as master copies if needed for retail presentations. Triplicate copies of the Pack Outlet (commodity # 463311) and Carton Outlet (commodity # 463308) contracts will be available for order in the Sales Materials System by February 20, 1994.

It is very important to utilize the same methodology as was utilized in determining the RJR merchandising contracts when signing the Co-Marketing Promotion Accrual program. Retail targeting should be discussed with your Regional Manager prior to retail commitment to secure necessary funding.

SIS Designations

Pack Outlets

Type	Plan	Units/Rows	Rate
CMFPK	A	1	$24
CMFPK	B	1	$34
CMFPK	C	1	$46
CMFPK	D	1	$60
CMFPK	E	1	$78
CMFPKRJR	A	1	$36
CMFPKRJR	B	1	$51
CMFPKRJR	C	1	$69
CMFPKRJR	D	1	$90
CMFPKRJR	E	1	$117

Carton Outlets

Type	Plan	Units/Rows	Rate
CMFCT	B	1	$36
CMFCT	C	1	$56
CMFCT	D	1	$84
CMFCTRJR	B	1	$54
CMFCTRJR	C	1	$84
CMFCTRJR	D	1	$126

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Only one type and plan may be entered for each participating retail account. Retailer match monies, although not accrued by RJR, will be applicable when RJR pays the promotion costs following the successful completion of the Co-Marketing promotion. For retailers that participate in the RJR Co-Marketing Promotion Accrual with the Retailer/RJR Match option, RJR will reimburse the account at the Option 1 rate (if spent) and 50% of the cost above the Option 1 rate to reflect the Retailer Match contribution.

Full details will be forwarded to you to communicate the Systems support and associated Point-of-Sale items for the Co-Marketing Promotion Accrual Program in the near future. Please utilize the Merchandising Hot Line (1-800-852-8015, ext. 0457) should any questions arise pertaining to the Co-Marketing Promotion Accrual. Good selling!

Program contacts: T. J. Sullivan (2572), R. B. Grout (2196), M. L. Buckler (1625)

R. J. REYNOLDS TOBACCO COMPANY

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Source: https://www.industrydocuments.ucsf.edu/docs/kmdn0000

R. J. REYNOLDS TOBACCO COMPANY
CO-MARKETING PROMOTION ACCRUAL CONTRACT - CARTON OUTLET

R. J. Reynolds Tobacco Company ("RJR") is pleased to announce a Co-Marketing Promotion Accrual Program effective January 1, 1994. The Co-Marketing Promotion Accrual Program is available for participating retailers to utilize in promoting selected RJR Full Price brands and is designed to allow customization of promotions. Program Eligibility is available to Retail accounts that meet the following criteria:

- 51% or more total industry volume by the carton.
- 225 + cartons sold per week.
- Distribution of all RJR brands in all price tiers as required.
- Participation in Full Price Carton Display/Signage, Savings Carton Display/Signage, and Package Merchandiser Elements as designated by an RJR Representative.

PROGRAM OPTIONS

Option 1 • RJR Co-Marketing Promotion Accrual - monthly accrual based on industry volume grid.

Option 2 • RJR Co-Marketing Promotion Accrual with Retailer/RJR Match - monthly accrual with additional Retailer/RJR Match funds based on industry volume grid.

ACCRUAL AS FOLLOWS:

MONTHLY ACCRUAL CALCULATION

Option 1	B	C	D
Average Industry Volume	225-299	300-499	500 +
RJR Co-Marketing Promotion Accrual	$36	$56	$84

MONTHLY ACCRUAL CALCULATION

Option 2	B	C	D
Average Industry Volume	225-299	300-499	500 +
Retailer Match	$18	$28	$42
RJR Match/Co-Marketing Promotion Accrual	$54	$84	$126
TOTAL ACCRUAL	$72	$112	$168

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PROGRAM OPTION REQUIREMENTS

OPTION 1

- Accrual process will begin on contract signing date if prior to the 15th day of the month. Sign up after the 15th day of the month will start accrual the following month.
- Co-Marketing Promotion Accrual funds are to be utilized to promote selected RJR Full Price brands as designated by an RJR Representative.
- All promotions require approval by RJR prior to implementation.
- Retailer reimbursement will occur as soon as practicable following successful completion of the subject pre-approved RJR Co-Marketing promotion.
- RJR Promotion Dollar Liability is limited to the allocated dollar amount of Co-Marketing Promotion Accrual as designated by RJR.
- Co-Marketing Promotion Accrual funds will be accrued by the month. Funds accrued during one calendar quarter are available for use in the immediately following calendar quarter.
- Co-Marketing Promotion Accrual funds available for use during a quarter, but not utilized by the end of such period will revert to RJR. Funds may not be carried over to a subsequent quarter.

OPTION 2

- All requirements/benefits stated in Option 1 are applicable to Option 2.
- Retailer must provide matching funds in an amount equal to 50% of Option 1 rate. Retailer match dollars are utilized in the same manner as Option 1 funds and are payable not later than individual promotion completion.
- RJR will provide additional funds in an amount equal to Retailer Match monies. RJR Match monies will be accrued on a monthly basis and are available for use on the same basis as the Option 1 funds.

ADDITIONAL REQUIREMENTS

- Co-Marketing Promotion Accrual Program is available for qualifying retailers through December 31, 1994.
- Display size, quantity, promotional timeframe, and promotional type will be approved by an RJR Representative.
- Promotional advertising associated with RJR Full Price brands will be affixed to, or above each display, as approved by an RJR Representative.
- Retailer will not permit advertising of any kind, including that relating to retailers own products, to be affixed to RJR displays (temporary and/or permanent) without prior consent of RJR.
- Retailer agrees to maintain RJR displays and signage (temporary and/or permanent) in an unobstructed manner, in the location agreed upon by an RJR Representative. Changes in location of displays, or effectiveness of display location, will terminate this agreement.
- Retailer will provide RJR equal opportunity with its competitors to place temporary displays and temporary price/promotion signs as requested by an RJR Representative.
- Retailer further agrees that restricting RJR's ability to display, promote or distribute RJR brands, or the ability to compete equally with other tobacco companies in all areas at retail, will result in termination of this contract.
- Retailer will permit RJR to make reasonable audits of performance and to inspect and rotate RJR products.
- RJR reserves the right to modify or terminate this contract after notice to retailer. In event of failure of performance by the retailer, this contract may be terminated by RJR forthwith and without notice

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Source: https://www.industrydocuments.ucsf.edu/docs/kmdn0000

R. J. REYNOLDS TOBACCO COMPANY
CO-MARKETING PROMOTION ACCRUAL CONTRACT - CARTON OUTLET

R. J. Reynolds Tobacco Company will make payments by check as soon as practicable. Accruals will be made for stores rendering full performance during a quarter, and on a pro rata basis for stores rendering performance for less than one full quarter but more than one calendar month. Retailer will not deduct amounts due under contract from invoices due RJR. However, R. J. Reynolds Tobacco Company may withhold payment from the retailer if the retailer fails to provide R. J. Reynolds Tobacco Company with sufficient correct information to issue a Form 1099 to the retailer for any taxable year covered by this agreement. In the case of individual proprietorship, this sufficient correct information is his individual name and either his social security number or employer identification number for his sole proprietorship. In addition to the retailer's individual name, he may also provide his business name for the sole proprietorship, provided his individual name is listed before the business name. He may not furnish only the business name. With respect to partnerships, estates, trusts, and similar entities, this information is the entity's or retailer's employer identification number as it appears on the partnership's Form 8501 (I.R.S. Form number). As soon as the applicable information is provided to and processed by R. J. Reynolds Tobacco Company, it will release any such withheld payments to the retailer. This portion of the provision does not apply if the retailer is a corporation.

We/I the undersigned and R. J. Reynolds Tobacco Company, by signing below, thereby agree, for the type plan and stores designated below, to the terms and conditions of R. J. Reynolds Tobacco Company Co-Marketing Promotion Accrual Program, dated January 1, 1994.

Is your organization a corporation, government agency, or tax exempt? _____ YES _____ NO
If no, enter your name as shown on your Social Security Card and TIN in the applicable space provided below:

Individual Name: _____

Individual Proprietorship: __ __ __ - __ __ - __ __ __ __ (Social Security Number) or Partnership __ __ - __ __ __ __ __ __ __ (Employer ID Number)

Store Name (Please Print) _____ RJR Account No. _____
Street Address _____ RJR Territory No. _____
City/State _____ Zip Code _____
Call Classification _____ Branch (If Chain) _____

CIRCLE CORRECT PLAN UNDER APPROPRIATE WEEKLY INDUSTRY VOLUME CATEGORY

Option 1	B 225-299	C 300-499	D 500+
Co-Marketing Promotion Accrual	$36	$56	$84
Option 2	B 225-299	C 300-499	D 500+
RJR Match/Co-Marketing Promotion Accrual	$54	$84	$126

	CO-MKTG TYPE(S)	CO-MKTG PLANS	NUMBER OF QUALIFYING STORES	MONTHLY RATE	TOTAL QUARTERLY DOLLAR AMOUNT
Option 1	CMFCT				
	CMFCT				
Option 2	CMFCTRJR				
	CMFCTRJR			TOTAL	

_____ Date Contract Signed

_____ Contract Effective Date

Retailer's Signature _____

Title: _____

R. J. REYNOLDS TOBACCO COMPANY

By: _____

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	FUNCTION	CONTRACT TYPE	PLAN	UNITS	EFFECTIVE
Function					
A = ADD					
E = END					
D = DELETE					
C = CHANGE					

Source: https://www.industrydocuments.ucsf.edu/docs/kmdn0000

R. J. REYNOLDS TOBACCO COMPANY
CO-MARKETING PROMOTION ACCRUAL CONTRACT - PACK OUTLET

R. J. Reynolds Tobacco Company ("RJR") is pleased to announce a Co-Marketing Promotion Accrual Program effective January 1, 1994. The Co-Marketing Promotion Accrual Program is available for participating retailers to utilize in promoting selected RJR Full Price brands and is designed to allow customization of promotions. Program Eligibility is available to Retail accounts that meet the following criteria:

- 51% or more total industry volume by the pack.
- 76 + cartons sold per week.
- Distribution of all RJR brands in all price tiers as required.
- Participation in Full Price Display, Savings Display, and Enhanced Presence/Signage Merchandising Elements as designated by an RJR Representative.

PROGRAM OPTIONS

Option 1 • RJR Co-Marketing Promotion Accrual - monthly accrual based on industry volume grid.

Option 2 • RJR Co-Marketing Promotion Accrual with Retailer/RJR Match - monthly accrual with additional Retailer/RJR Match funds based on industry volume grid.

ACCRUAL AS FOLLOWS:

MONTHLY ACCRUAL CALCULATION

Option 1	A	B	C	D	E
Average Industry Volume	76-99	100-149	150-199	200-249	250+
RJR Co-Marketing Promotion Accrual	$24	$34	$46	$60	$78

MONTHLY ACCRUAL CALCULATION

Option 2	A	B	C	D	E
Average Industry Volume	76-99	100-149	150-199	200-249	250+
Retailer Match	$12	$17	$23	$30	$39
RJR Match/Co-Marketing Promotion Accrual	$36	$51	$69	$90	$117
TOTAL ACCRUAL	$48	$68	$92	$120	$156

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PROGRAM OPTION REQUIREMENTS

OPTION 1

- Accrual process will begin on contract signing date if prior to the 15th day of the month. Sign up after the 15th day of the month will start accrual the following month.
- Co-Marketing Promotion Accrual funds are to be utilized to promote selected RJR Full Price brands as designated by an RJR Representative.
- All promotions require approval by RJR prior to implementation.
- Retailer reimbursement will occur as soon as practicable following successful completion of the subject pre-approved RJR Co-Marketing promotion.
- RJR Promotion Dollar Liability is limited to the allocated dollar amount of Co-Marketing Promotion Accrual as designated by RJR.
- Co-Marketing Promotion Accrual funds will be accrued by the month. Funds accrued during one calendar quarter are available for use in the immediately following calendar quarter.
- Co-Marketing Promotion Accrual funds available for use during a quarter, but not utilized by the end of such period will revert to RJR. Funds may not be carried over to a subsequent quarter.

OPTION 2

- All requirements/benefits stated in Option 1 are applicable to Option 2.
- Retailer must provide matching funds in an amount equal to 50% of Option 1 rate. Retailer match dollars are utilized in the same manner as Option 1 funds and are payable not later than individual promotion completion.
- RJR will provide additional funds in an amount equal to Retailer Match monies. RJR Match monies will be accrued on a monthly basis and are available for use on the same basis as the Option 1 funds.

ADDITIONAL REQUIREMENTS

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- Display size, quantity, promotional timeframe, and promotional type will be approved by an RJR Representative.
- Promotional advertising associated with RJR Full Price brands will be affixed to, or above each display, as approved by an RJR Representative.
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- Retailer will permit RJR to make reasonable audits of performance and to inspect and rotate RJR products.
- RJR reserves the right to modify or terminate this contract after notice to retailer. In event of failure of performance by the retailer, this contract may be terminated by RJR forthwith and without notice.

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R. J. REYNOLDS TOBACCO COMPANY
CO-MARKETING PROMOTION ACCRUAL CONTRACT - PACK OUTLET

R. J. Reynolds Tobacco Company will make payments by check as soon as practicable upon completion of designated promotion(s). Accruals will be made for stores rendering full performance during a quarter, and on a pro rata basis for stores rendering performance for less than one full quarter but more than one calendar month. Retailer will not deduct amounts due under contract from invoices due RJR. However, R. J. Reynolds Tobacco Company may withhold payment from the retailer if the retailer fails to provide R. J. Reynolds Tobacco Company with sufficient correct information to issue a Form 1099 to the retailer for any taxable year covered by this agreement. In the case of individual proprietorship, this sufficient correct information is his individual name and either his social security number or employer identification number for his sole proprietorship. In addition to the retailer's individual name, he may also provide his business name for the sole proprietorship, provided his individual name is listed before the business name. He may not furnish only the business name. With respect to partnerships, estates, trusts, and similar entities, this information is the entity's or retailer's employer identification number as it appears on the partnership's Form 8501 (I.R.S. Form number). As soon as the applicable information is provided to and processed by R. J. Reynolds Tobacco Company, it will release any such withheld payments to the retailer. This portion of the provision does not apply if the retailer is a corporation.

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Is your organization a corporation, government agency, or tax exempt? _____ YES _____ NO
If no, enter your name as shown on your Social Security Card and TIN in the applicable space provided below:

Individual Name: _____

Individual Proprietorship: ___ ___ ___ - ___ ___ - ___ ___ ___ ___ or Partnership ___ ___ - ___ ___ ___ ___ ___ ___ ___
(Social Security Number) (Employer ID Number)

Store Name (Please Print) _____ RJR Account No. _____
Street Address _____ RJR Territory No. _____
City/State _____ Zip Code _____
Call Classification _____ Branch (If Chain) _____

CIRCLE CORRECT PLAN UNDER APPROPRIATE WEEKLY INDUSTRY VOLUME CATEGORY

	A	B	C	D	E
Option 1	76-99	100-149	150-199	200-249	250 +
Co-Marketing Promotion Accrual	$24	$34	$46	$60	$78
Option 2	A	B	C	D	E
	76-99	100-149	150-199	200-249	250 +
RJR Match/Co-Marketing Promotion Accrual	**$36**	**$51**	**$69**	**$90**	**$117**

	CO-MKTG TYPE(S)	CO-MKTG PLANS	NUMBER OF QUALIFYING STORES	MONTHLY RATE	TOTAL QUARTERLY DOLLAR AMOUNT
Option 1	CMFPK				
	CMFPK				
Option 2	CMFPKRJR				
	CMFPKRJR			TOTAL	

Date Contract Signed

Retailer's Signature _____

Title: _____

Contract Effective Date

R. J. REYNOLDS TOBACCO COMPANY

By: _____

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	FUNCTION	CONTRACT TYPE	PLAN	UNITS	EFFECTIVE
Function					
A = ADD					
E = END					
D = DELETE					
C = CHANGE					

Source: https://www.industrydocuments.ucsf.edu/docs/kmdn0000